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Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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May 8, 2013

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To: Supervisor Mark Ridley-Thomas, Chairman
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Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

SACRAMENTO UPDATE

Executive Summary

This memorandum contains reports on the following:

- **Status of a County-Opposed State Budget Item.** On May 6, 2013, the Assembly Budget Subcommittee No. 1 on Health and Human Services rejected trailer bill language proposed by the Administration which would change the growth formula for the 1991 Realignment Mental Health and the CalWORKs Maintenance of Effort (MOE) Subaccounts by a vote of 4 to 0. As reported on April 8, 2013, the Department of Mental Health indicated that this proposal would result in an estimated County loss of approximately \$12.0 million for mental health services.
- **Senate and Assembly Budget Subcommittee Hearings.** This report provides an update on hearings related to the health care reform implementation, including the proposed Medi-Cal expansion.
- **Status of County-Sponsored Legislation**
 - **County-sponsored AB 506 (Mitchell)** – related to consent for HIV testing of an infant less than 12 months of age who is placed in foster care passed the Assembly on May 6, 2013.

"To Enrich Lives Through Effective And Caring Service"

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- **County-sponsored SB 191 (Padilla)** – related to funding for pediatric trauma centers passed the Senate on May 6, 2013.
 - **Status of County-Advocacy Legislation**
 - **County-opposed AB 1373 (Pérez)** - related to worker's compensation death benefits, passed the Assembly on May 2, 2013.
 - Report on Senate President pro Tem Darrell Steinberg's "Call for State Action to Invest in Mental Health Services for Community Wellness."
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Status of County-Advocacy on a State Budget Item

County-opposed Budget Trailer Bill Language. On May 6, 2013, the Assembly Budget Subcommittee No. 1 on Health and Human Services rejected trailer bill language proposed by the Administration which would change the growth formula for the 1991 Realignment Mental Health and the CalWORKs Maintenance of Effort (MOE) Subaccounts by a vote of 4 to 0. As previously reported, the Senate Budget Subcommittee No. 3 on Health and Human Services also rejected this proposal on April 18, 2013.

Under this proposal, growth funds deposited into the CalWORKs MOE Subaccount above a cap of \$1.121 billion would be redirected away from county mental health programs, with the State and counties sharing the growth funds equally. The Department of Mental Health indicates that this proposal would result in an estimated County loss of approximately \$12.0 million for mental health services. The Department of Public Social Services notes that the proposed language would not impact the Department.

Senate and Assembly Budget Subcommittee Hearings on Health Care Reform

The Senate Budget Subcommittee No. 3, chaired by Senator William Monning, and Assembly Budget Subcommittee No. 1, chaired by Assembly Member Holly Mitchell have conducted a number of hearings on health care reform implementation including the Medi-Cal expansion. The most recent hearings were conducted by the Senate Budget Subcommittee on May 2, 2013 and by the Assembly Budget Subcommittee on May 6, 2013. Below is a summary of key items discussed at the hearings:

Medi-Cal Expansion. At each hearing, members of the subcommittees asked the Administration to provide specific information regarding plans for the Medi-Cal

expansion, projections of the number of persons expected to transition to Medi-Cal, status of the development of data systems, and cost estimates for the expansion. The subcommittee members expressed concerns with the Administration regarding the timing of the implementation and development of the overall structure needed to ensure that California is able to implement the Medi-Cal expansion by January 1, 2014.

Administration officials continued to stress that Governor Brown is committed to a full expansion of the Medi-Cal Program; however, they also noted that the State faces significant out-year costs and that the funding for the expansion must be sustainable. Administration officials also reiterated that counties will achieve significant savings under the expansion and should assume a share the State's costs as outlined in the Governor's January Budget Proposal.

The budget subcommittees held this item open pending the release of the Governor's May Budget Revision.

Health Access Proposal for the Remaining Uninsured. The Assembly Budget Subcommittee heard testimony from Health Access who, with other advocate groups, including the California Immigration Policy Center, California Pan-Ethnic Health Networks and the Western Center on Law and Poverty, developed a proposal to extend healthcare coverage to persons who will remain uninsured after the implementation of health care reform. The proposal would extend counties Low-Income Health Programs (LIHP) as the primary vehicle to provide health care for this population and require counties to share realignment funds with the State based on each county's LIHP enrollment numbers. The Subcommittee took no action on this proposal.

Medi-Cal Assistance and Outreach Grants. Both subcommittees adopted placeholder Budget Trailer Bill language to require the Department of Health Care Services to accept a contribution of \$26.5 million from the California Endowment and to use these funds to seek Federal matching funds which would be used for Medi-Cal enrollment assistance and outreach, as follows:

- **Medi-Cal Enrollment Assistance - \$14.0 million.** This funding would be used for Medi-Cal in-person enrollment assistance payments of \$58 per approved Medi-Cal application.
- **Medi-Cal Outreach and Enrollment Grants to Community Based Organizations - \$12.5 million.** This funding would be used to target outreach and enrollment strategies for: persons with behavioral health needs; homeless persons; young men of color; persons who are in county jail or State prison, on State parole or county probation and post-release community supervision;

families with mixed immigration status; school-age children; and persons with limited English proficiency.

Status of County-Sponsored Legislation

County-sponsored AB 506 (Mitchell), which as amended on May 1, 2013, would allow a social worker, under specified conditions, to provide consent for an HIV test as part of the routine physical examination for an infant less than 12 months of age who is placed in foster care, passed the Assembly Floor by a vote of 77 to 0 on May 6, 2013. This measure now proceeds to the Senate.

County-co-sponsored SB 191 (Padilla), which as introduced on February 7, 2013, would eliminate the January 1, 2014 sunset date which authorizes counties to augment the Emergency Medical Services Fund by collecting of an additional penalty assessment for specified crimes to fund pediatric trauma centers, passed the Senate Floor by a vote of 33 to 1 on May 6, 2013. This measure now proceeds to the Assembly.

Status of County-Advocacy Legislation

County-opposed AB 1373 (Pérez), which as introduced February 22, 2013, would extend the statute of limitations on filing a death benefits claim for a firefighter or peace officer who dies of specified presumptive work-related illness, passed the Assembly by a vote of 60 to 12 on May 2, 2013. This measure now proceeds to the Senate.

Senator Steinberg Announces Plan to Invest in Mental Health Services

On May 7, 2013, Senate President pro Tempore Darrell Steinberg held a press to announce his "Call for State Action to Invest in Mental Health Services for Community Wellness." Senator Steinberg noted that while the implementation of the Federal Affordable Care Act and the Mental Health Parity and Addiction Equity Act of 2008 will provide increased coverage for behavioral health services, barriers to access mental health services still exist. The plan is intended to address this issue by:

- Reducing unnecessary hospitalizations and inpatient days by using community-based services, including Mobile Crisis Support Teams and crisis residential treatment;
- Reducing recidivism and mitigating unnecessary expenditures for local law enforcement agencies by providing increased services to offenders with mental health disorders;

- Reinforcing prevention and early intervention efforts to mitigate stigma and discrimination for those afflicted with mental illness;
- Maximizing Federal funding, Realignment funding, Proposition 63 Mental Health Services Act Funds, grant funds, and State General Fund dollars for mental health treatment;
- Providing Medi-Cal enrollment and outreach assistance to reach people with special needs, including those with behavioral health needs, homeless individuals, and persons transitioning from institutions such as county jails and state prison;
- Facilitating linkage to services through community triage planning led by county mental health departments;
- Making reforms to the Lanterman-Petris-Short Act through SB 364 (Steinberg), which broadens the types of mental health facilities a county can designate to provide services to include licensed facilities, such as psychiatric hospitals and crisis stabilization units.

Senator Steinberg indicates that additional information will be available, including designated funding, in the Governor's May Revision. This office will work with the Department of Mental Health and other affected departments to analyze this proposal for potential impact to the County as more details become available.

We will continue to keep you advised.

WTF:RA
MR:VE:PC:lm

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
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